

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 00-0081P**

**Use Tax**

**Calendar Years 1996, 1997, and 1998**

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**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer protests the penalty assessed on an audit completed on November 24, 1999.

Taxpayer maintains its headquarters out of state and has several business locations in Indiana. Taxpayer failed to self-assess use tax on clearly taxable fixed asset purchases.

1. **Tax Administration** – Penalty

**DISCUSSION**

Taxpayer's audit report revealed that it failed to self assess use tax for its fixed assets purchases.

Taxpayer requests a waiver of penalties because the error in its computer system has been corrected and taxes are remitted in a timely manner.

Taxpayer failed to self assess use tax on clearly taxable fixed asset purchases in all years of the audit. For the three-year audit period, the assessment was more than fifty percent (50%) of the use tax due.

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The taxpayer was negligent in failing to self-assess and remit use tax on clearly taxable fixed assets purchases and has not shown reasonable cause for failing to do so.

**FINDING**

Taxpayer's protest is denied.

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